

SAN DIEGO POSSESSES A VIBRANT ENTREPRENEURIAL ECONOMY!

The City of San Diego Community and Economic Development Department (C&ED):
"Improving the Quality of Life and Ensuring a Healthy Economy for All San Diegans"

With an array of business incentives and programs provided by C&ED, entrepreneurs receive the assistance and support they need to fully participate in San Diego's flourishing economy.

C&ED Ensures Expansion Capital Access to Support Entrepreneurship:

- Guiding entrepreneurs to potential sources of conventional private debt and equity
- Developing new financial partnership initiatives with other public agencies and private sector lenders and investors
- Operating targeted direct loan programs to address identified private capital market gaps

C&ED Highly Competitive Direct Loan Programs Include:

- \$500,000 Metro Revolving Loan Fund
- \$3 million San Diego Regional Revolving Loan Fund
 - \$2.5 million EmTek Fund
- Tax-exempt Industrial Development Bonds

C&ED Client Borrower Entrepreneurs:

- Possess strong growth potential
- Bring private matching funds
- Demonstrate a reasonable expectation of repayment

C&ED Transaction-Seasoned Economic Development Finance Professionals:

- Conduct thorough due diligence
- Provide detailed feedback

**Contact the City of San Diego
and let C&ED Business Finance Professionals help you access
growth capital and improve your business!**

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Skyline photo courtesy of CCDC/Skip Jurus

EmTek Fund and Industrial Development Bonds photos: © Alicia Wagner Calzada

This information is available in alternative formats upon request.



san diego regional economic
development corporation

**FOR MORE INFORMATION AND
ASSISTANCE, CONTACT:**

**The City of San Diego
Community and Economic
Development Department
Business Finance Program**

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San Diego, CA 92101-4506
(619) 533-7408 Fax (619) 533-5250
www.sandiego.gov/ced



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**OTHER SMALL BUSINESS
FINANCE RESOURCES:**

CDC Small Business Finance:
Micro/small business SBA loans
and loan guarantees
(619) 291-3594

**California Southern Small Business
Development Corporation:**
Small business loan guarantees
(619) 232-7771

ACCION San Diego:
Micro/small business direct loans
(619) 685-1380

Uptown Micro Loan:
Loans to businesses located in
Business Improvement Districts
(619) 299-4060

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**THE CITY OF SAN DIEGO
COMMUNITY & ECONOMIC
DEVELOPMENT DEPARTMENT**

BUSINESS FINANCE PROGRAM GUIDE



LOANS



SAN DIEGO REGIONAL RLF



EmTek Fund (EMERGING TECHNOLOGIES)



METRO REVOLVING LOAN FUND



INDUSTRIAL DEVELOPMENT BONDS

PROGRAM SUMMARY	The San Diego Regional Revolving Loan Fund (SDRRLF) provides loans for new construction, rehabilitation, leasehold improvements, equipment purchase and working capital to small businesses located in targeted central and South County areas.		The EmTek Fund provides participating working capital loans to promising smaller early-stage growth ventures.	The Metro Revolving Loan Fund (MRLF) provides smaller equipment purchase and working capital loans at favorable terms.	For larger job-creating capital expansion projects, Industrial Development Bonds provide qualified manufacturers and nonprofits with access to below-market, tax-exempt interest rates.
ELIGIBLE USE OF FUNDS	Land/Building Equipment Working Capital		Growth-driven working capital	Land/Building Equipment Working Capital	Land/Building Equipment
ELIGIBLE BORROWER	Existing or startup small-to-mid size businesses in eligible areas of the cities of San Diego, National City, Imperial Beach and Chula Vista		Smaller early-stage growth businesses located in San Diego County	Existing or start-up small businesses in eligible areas in the City of San Diego	Manufacturers; non-sectarian nonprofits; others as permitted under IRS regulations
REQUIRED PUBLIC BENEFIT	Job creation: \$20,000 - \$30,000 per job Targets distressed areas		Job creation Targets distressed areas Targets disadvantaged businesses	Job creation Targets distressed areas Targets disadvantaged businesses	Job creation: \$50,000 per job Targets distressed areas
MINIMUM/MAXIMUM PUBLIC LOAN	\$150,000 to \$750,000		\$50,000 to \$250,000	\$25,000 to \$150,000	\$1 million minimum for land/building \$250,000 minimum for equipment
TYPICAL PROJECT SIZE	\$450,000 to \$2,250,000		\$100,000 to \$1,500,000	\$150,000 to \$450,000	\$10 million maximum for manufacturers
MINIMUM REQUIRED EQUITY	10% to 30% depending on the project		50%	10% to 30% depending on project	Determined by private lender
TYPICAL FINANCING STRUCTURE	<div><div>Startup</div><div>Lender: 40% SDRRLF: 30% Borrower: 30% TOTAL: 100%</div><div>Expansion</div><div>Lender: 50% SDRRLF: 30% Borrower: 20% TOTAL: 100%</div></div>		<div>Equity Partner: 25-80% EmTek: 20-50% Borrower: 0-25% TOTAL: 100%</div>	<div><div>Startup</div><div>Lender: 40% MRLF: 30% Borrower: 30% TOTAL: 100%</div><div>Expansion</div><div>Lender: 50% MRLF: 30% Borrower: 20% TOTAL: 100%</div></div>	75% bond purchaser/credit enhancement provider 25% borrower
MAXIMUM LOAN TERM					
REAL ESTATE & RELATED	15 years		N/A	5 years	25 years
MACHINERY & EQUIPMENT	10 years		Up to 5 years, 12-18 months interest-only	5 years	7 years
PERMANENT WORKING CAPITAL	7 years		Up to 5 years, 12-18 months interest-only	3-5 years	N/A
INTEREST RATE	Prime-plus fixed rate, based on risk		8% fixed note interest rate, warrant coverage to provide a 25% IRR	Minimum rate lower of 5% or prime; Maximum rate prime plus 2%, fixed	Varies; at least 2% below conventional rates
LOAN FEES	\$250 application fee, 2% origination fee \$150 - \$750 commitment fee All out-of-pocket closing costs (document prep, etc.)		\$250 application fee All out-of-pocket closing costs (document prep, etc.) \$250 - \$1,000 commitment fee	\$100 application fee All out-of-pocket closing costs (document prep, etc.) \$150 - \$300 commitment fee	Varies based on bond amount (can be financed) City application fees: \$1,250 - \$2,500 .25% origination fee
COLLATERAL	Secured lien on all business assets required Personal guarantee required		Senior lien on all business assets preferred Personal guarantee preferred	Senior lien on all business assets preferred Personal guarantee required Secured or unsecured	Senior lien on all business assets required Additional collateral/guarantees determined by private lender